



PRESS RELEASE

Colorado Department of Law
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COLORADO ATTORNEY GENERAL ANNOUNCES SIX FAMILY MEMBERS INDICTED FOR MORTGAGE-FRAUD SCHEME

DENVER—[The Colorado Attorney General's Office](#) announced that the statewide grand jury has issued a 37-count indictment against six family members for using their status in the real estate industry to perpetrate a fraud-for-profit mortgage fraud scheme. The family is accused of manipulating “straw buyers” to buy and sell properties destined for foreclosure. The six are accused of violating the Colorado Organized Crime Control Act based on the commission of crimes ranging from Forgery and Theft, to Criminal Impersonation, and Attempt to Influence a Public Servant.

“Through an elaborate scheme of falsifying documents and identities then propping up straw buyers, this family played on gullible people wanting to live the dream of homeownership,” said Attorney General John Suthers. “Properties were illegally acquired, money was stolen, credit histories ruined, and houses ended up in foreclosure. My office will aggressively pursue those who willingly cause foreclosures and I thank our partner agencies for their painstaking efforts.”

Jose Ricardo Sarabia-Martinez (D.O.B. 10/14/81) was the enterprise’s ringleader along with his wife, Lauren Maes Sarabia (D.O.B. 09/18/84). Younger twin brothers, Pedro Sarabia-Martinez (D.O.B. 02/22/86) and Pablo Sarabia-Martinez (D.O.B. 02/22/86) were also named in the indictment along with parents Ricardo Sarabia-Salcido (D.O.B. 04/10/61) and Teresa Martinez (D.O.B. 09/08/64). 12 properties are named in the indictment and the total potential loss to various lending institutions may be as high as \$4.6 million.

Meticulous work led by the Colorado Bureau of Investigations uncovered irregularities in the operations of the family-owned businesses, Worldwide Realty, Inc. Worldwide Investment Firm, Inc. Worldwide Property Management, LLC, and Ideavision Marketing

Corporation, that ultimately led to the grand jury indictment. The Federal Bureau of Investigations, the Office of Inspector General for the U.S. Small Business Administration, and the Office of Inspector General for the Federal Housing Finance Agency were also involved in the investigation.

“This case and other mortgage fraud cases investigated by CBI shows the considerable damage groups have caused in the mortgage and banking industry and in our communities where these foreclosures have occurred and individuals have had their credit destroyed,” said Director Ron Sloan. “We are committed to investigating these far-reaching crimes to reduce the impact on those targeted by these complex schemes.”

Financial problems at Worldwide Realty (located at the company’s 403 16th Street, Suites 2 and 3, Denver) caused Sarabia-Martinez to start defaulting on taxes and other bills. He is accused of then falsifying documents to secure a loan through the Small Business Administration and refinance loans he owed. Worldwide was, however, evicted and as receivers began going through the office suites, found more than 100 boxes with paperwork of suspicious transactions.

While each scheme was unique, the template play was to hire a “straw buyer” to purchase a home in the Denver-metro area. The family would put money in the straw buyer’s bank account to inflate that person’s net worth and thus allow the straw buyer to obtain multiple mortgage loans. The family profited from taking out fraudulently-acquired loans and from bogus notary and realtor commissions. However, the buyers were ultimately left with mortgages they could not afford to pay and a tarnished credit history.

“These individuals engaged in a fraudulent scheme to gain access to an SBA guaranteed loan program and further their criminal enterprise,” said Inspector General Peggy E. Gustafson. “SBA’s guaranteed loan programs are only eligible to persons meeting specific character standards to guard against those driven by greed or other criminal motives. I want to thank the Colorado Office of the Attorney General and our law enforcement partners for their cooperation in bringing these individuals to justice.”

The filing of criminal charges or an indictment is merely a formal accusation that an individual committed a crime. Each defendant should be presumed innocent until proven guilty. These cases will be prosecuted in Denver District Court by the Colorado Attorney General’s Office.

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